



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

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Memorandum

TO: Administration Committee

DATE: October 28, 2009

FR: Executive Director

W.I.:

RE: Investment Report for September 2009

In accordance with the adopted investment policy, attached are the comprehensive investment holdings for MTC and all operating units.

Total funds under MTC management are just under \$2.3 billion. A breakdown by fund is as follows:

<u>Fund</u>	<u>Balance (\$ million)</u>	<u>% of Total</u>
BATA RM1*	\$ 952.7	41.9%
BATA Debt Service Reserve	270.4	11.9%
BATA Seismic	256.3	11.3%
BATA Trustee Funds	63.5	2.8%
BATA RM2	107.3	4.7%
AB 1171	80.0	3.5%
2009 F-1 COI Account	0.2	less than 0.01%
BAIFA	224.8	9.9%
MTC	189.4	8.3%
FasTrak® (Customer Deposits)	47.7	2.1%
BART Car Exchange Program	71.1	3.1%
SAFE	8.7	0.4%
RAFC	2.0	0.1%
Portfolio Total	\$ 2,274.1	100.0%

*includes rehab, reserves, capital

The Bay Area Infrastructure Financing Authority (BAIFA) funds include annual payments and reserve funds held by the trustee to retire the outstanding bonds. The BART Car Exchange fund is held in trust for future replacement of BART cars.

The portfolio consists mainly of Government Sponsored Enterprises (GSEs). The portfolio breakdown is as follows:

<u>Security Holding</u>	<u>Portfolio Composite</u>	<u>Policy Limits</u>
Fed Home Loan Bank	27.7%	No limit
Fed Home Loan Mortgage	15.8%	No limit
Fed National Mortgage Association	8.5%	No limit
Fed Farm Credit Bank	0.4%	No limit
Tennessee Valley Auth	0.4%	No limit
Cash	7.4%	No limit
Gov't Pools	0.1%	No limit
CA Asset Mgmt Program (CAMP)	9.7%	No limit
Municipal Bonds	18.3%	No limit
Mutual Funds	4.2%	20% Portfolio/10% One Fund
Blackrock (BATA Trustee)	2.8%	Trustee Funds – No limit
Goldman Sachs (BAIFA)	4.7%	Trustee Funds – No limit
Portfolio Total	100.0%	

Funds held by trustee are subject to permitted investments authorized in the approved issuing documents and are not subject to mutual fund limits as defined in the MTC Investment Policy.

The MTC portfolio holds \$189 million (8.3%) in variable rate demand obligations (VRDO) issued by various California local agencies. The VRDOs are recognized as short term (30 days) investment bonds for accounting classification purposes even though the various securities have maturities up to 30 years. The classification as short term investments is possible because VRDOs have “liquidity instruments” that allow the bonds to be “put” to the liquidity bank at any time with seven days notice.

MTC also holds \$226 million (9.9%) in bonds issued by the State of California or agencies of the State of California. The bonds include \$194 million in general obligation bonds purchased to support local Proposition 1B projects.

If there are any questions, please contact Brian Mayhew at (510) 817-5730.

Steve Heminger

SH:SW